

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**SID RICHARDSON CARBON
& GASOLINE CO.
AI # 4174**

**PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.**

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* **Settlement Tracking No.**
* **SA-AE-05-0002**
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* **Enforcement Tracking No.**
* **AE-P-03-0398**
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SETTLEMENT

The following Settlement is hereby agreed to between Sid Richardson Carbon & Gasoline Co. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation which owns and/or operates a carbon black production facility known as the Addis Carbon Black Plant, located at 5221 Sid Richardson Road in Addis, West Baton Rouge Parish, Louisiana ("the Facility").

II

On March 30, 2004, the Department issued a Penalty Assessment, Enforcement No. AE-P-03-0398, in the amount of Fifty-One Thousand Six Hundred Twenty-Four And 64/100 Dollars (\$51,624.64) to Respondent, which was based upon the following findings of fact:

The facility operated under Air Permit Number 3120-00006-02 issued on July 27, 1991. The facility currently operates under Title V Permit Number 3120-00006-V0 issued on October 15, 2003.

On or about March 26 through March 27, 2002, an inspection and file review of the Respondent's facility were performed to determine the degree of compliance with the Act and Air Quality Regulations. Following the inspection, additional information was submitted to the Department by the Respondent on or about April 8 and April 29, 2002.

On or about August 13, 2002, a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement Tracking No. AE-CN-01-0269, was issued to the Respondent for the following violation:

The 2000 Sulfur Input Report dated February 27, 2001, for this facility indicates several exceedances of the permitted sulfur loading amounts for Units 1, 2, and 3. Each exceedance is a violation of Specific Condition Number 1 of Air Permit Number 3120-00006-02, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

The Department received written correspondence dated October 3 and October 11, 2002, from the Respondent relating to the CONOPP.

On or about October 15, 2002, a meeting was held between representatives of the Respondent and members of the Department. At the time of the meeting, the Respondent provided additional information relating to the causes and circumstances of the violations identified in the CONOPP.

The Department received additional information from the Respondent dated October 16 and October 17, 2002.

On or about June 12, 2003, an Amended Consolidated Compliance Order & Notice of Potential Penalty (ACONOPP), Enforcement Tracking No. AE-CN-01-0269A, was issued to the Respondent for the following additional violations:

- A. The Respondent exceeded the permitted sulfur loading amounts for Units 1 and 3 during the 2001 calendar year. Each exceedance is a violation of Specific Condition Number 1 of Air Permit Number 3120-00006-02, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. The Respondent exceeded the permitted sulfur loading amounts for Units 1, 2, and 3 during the 2002 calendar year. Each exceedance is a violation of Specific Condition Number 1 of Air Permit Number 3120-00006-02, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

III

In response to the Penalty Assessment, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FORTY-ONE THOUSAND SIXTY-SIX AND 97/100 DOLLARS (\$41,066.97) of which One Thousand Sixty-Six and 97/00 Dollars (\$1,066.97) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Penalty Assessment and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in West Baton Rouge Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability

of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

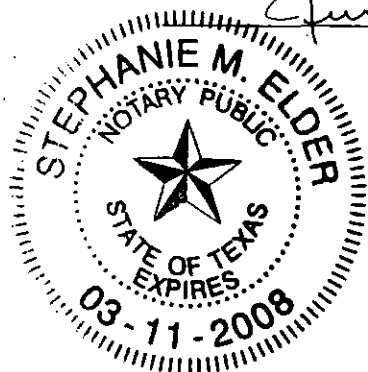
**SID RICHARDSON CARBON &
GASOLINE CO.**

BY: Wesley Wampler
(Signature)

Wesley Wampler
(Printed or Typed)

TITLE: Vice President, R&D

THUS DONE AND SIGNED in duplicate original before me this 3rd day of
June, 20 05, at Fort Worth, Texas.



Stephanie M. Elder
NOTARY PUBLIC (ID # _____)

Stephanie M. Elder
(Printed or Typed)

STATE OF LOUISIANA

Mike D. McDaniel, Ph.D., Secretary
Department of Environmental Quality

BY: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 15th day of
November, 20 05, at Baton Rouge, Louisiana.

Jay L. Glorioso
NOTARY PUBLIC (ID # 28050)
Jay L. Glorioso
(Printed or Typed)

Approved: Harold Leggett
Harold Leggett, Ph.D., Assistant Secretary